

FISCAL NOTE

Bill #: HB0336

Title: Revise developmental disability services

Primary Sponsor: Lange, M.

Status: Second Reading

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$143,560	\$143,560
Federal Special Revenue	\$65,520	\$63,229
Revenue:		
General Fund	\$0	\$0
Federal Special Revenue	\$65,520	\$63,229
Net Impact on General Fund Balance:	(\$143,560)	(\$143,560)

- | | |
|-----------------------------------------------------------|--------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Public Health and Human Services

1. This bill appropriates \$143,560 general fund in each year of the 2007 biennium to the Department of Public Health and Human Services (DPHHS) to serve individuals that qualify for Developmental Disabilities Program (DDP) services, who have graduated from high school, and will not turn 19 years old by September 10 of the following school year.
2. The funding in this bill can be used as cash assistance to school districts that admit these individuals or providing work/day services through the DDP.
3. It is estimated that there are 40 individuals that qualify for DDP services that will graduate and turn 19 after September 10 of the current school year. It is estimated that 25 percent, or 10 students, will graduate and re-enroll in high school.
4. The current law Average Number Belonging (ANB) entitlement for a high school student is \$5,371 in both FY 2006 and FY 2007. The average state share of this amount is \$3,589 per student. It is estimated that DPHHS will transfer \$35,890 (\$3,589 x 10) per year in both FY 2006 and FY 2007 to the Office of Public Instruction for the state share of the entitlement for these individuals.
5. The remaining \$107,670 per year will be used to support work / day services through the DDP for the remaining 30 individuals. Due to the one-time nature (per individual) of this funding, DDP would use 25

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(continued)

percent of this amount, or \$26,918, to match with Medicaid dollars for one-time purchases for individuals on waiver services.

6. The projected Federal Medical Assistance Percentage (FMAP) rate is 70.88 percent in FY 2006 and 70.14 percent in FY 2007.
7. The increased revenue to the state in federal Medicaid funds will be \$130,727 in FY 2006 and \$126,163 in FY 2007.
 - a. FY 2006 $\$26,918 / .2912 = \$92,438 \times .7088 = \$65,520$
 - b. FY 2007 $\$26,918 / .2986 = \$90,147 \times .7014 = \$63,229$
8. The remaining \$80,752 would be used for work / day services for Family Education Support (FES) kids.

Office of Public Instruction

9. There were 80 individuals statewide in FY 2004 who graduated with a diploma in 2004 and who were less than 19 years old on September 10th of 2004, and had a dominant disability other than learning disability, speech impairment or emotional disturbance.
10. Forty of the 80 individuals meet the DPHHS standards for eligibility as an individual with a developmental disability.
11. Ten of the 40 individuals will be readmitted to high school following graduation.
12. The ARM 10.15.101 defines enrollment of a high school student to mean that the student is assigned to receive organized instruction in an education program described in ARM 10.55.904 that is offered by a public school and can be applied toward the graduation requirements of 10.55.905 (emphasis added).
13. Administrative rule 10.15.101 implies that schools cannot collect ANB for students who have already graduated on the basis that the program of instruction cannot be applied toward the graduation requirement because the student has already graduated.
14. Schools serving the 10 readmitted individuals will not collect ANB on the basis of limitations established in ARM 10.15.101.

FISCAL IMPACT:

Department of Public Health and Human Services

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$173,190	\$170,899
Transfers	<u>\$35,890</u>	<u>\$35,890</u>
TOTAL	\$209,080	\$206,789

Funding of Expenditures:

General Fund (01)		
Benefits	\$107,670	\$107,670
Transfers	\$35,890	\$35,890
Federal Special Revenue (03)	<u>\$65,520</u>	<u>\$63,229</u>
TOTAL	\$209,080	\$206,789

Revenues:

General Fund (01)	\$0	\$0
Federal Special Revenue (03)	\$65,520	\$63,229

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$143,560)	(\$143,560)
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